

Mark Your Calendar!

The 1999
MOSTARS
Default Prevention
& Debt Management
Conference
is scheduled for
June 22-23, 1999 at
the Capitol Plaza Hotel
in Jefferson City.
See the tentative
agenda on page 4 of this
newsletter for more
information.

May 1999



...providing
postsecondary
assistance
to Missouri families

Missouri Student Assistance Resource Services

MOSTARS is a division of the Missouri Department of Higher Education



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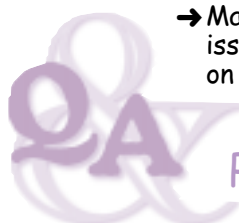


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- Master Promissory Note
issues; accessing information
on the MSLP's database



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Beth Ziehmer
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This portion of the **MOSTARS** newsletter includes questions and answers regarding various topics brought to our attention by MOSTARS clients.

If you happen to see one of your questions published, you should give yourself a pat on the back for asking a question that may benefit other clients.

In addition, if you think there is a need for a published clarification on a particular topic, please feel free to contact the **MOSTARS Information Center at (800) 473-6757 or (573) 751-3940** to discuss the topic. We may include the question in future issues of **MOSTARS**. ★

A student is enrolled in a program with four terms and drops during the second term but re-enrolls for the third and fourth terms. Is the school required to return the funds for the second disbursement since the borrower broke enrollment during the four-term loan period?

The school may still deliver loan proceeds to a student who temporarily ceased to be enrolled at least half-time provided the school documents in the student's file: (1) that the student has resumed enrollment on at least a half-time basis; (2) the student's revised cost of attendance as a result of the temporary cessation; and (3) that the student continues to qualify for the entire loan amount after the revision of the cost of attendance has been made.

Citations: 34 CFR 682.604(b)(2)(iv)
1998-99 Federal Student Financial Aid Handbook,
Chapter 10, Page 34

Has the current common Stafford application expired?

The January 31, 1994 version of the common Federal Stafford Loan application had an expiration date of March 31, 1999. However, the Office of Information Regulatory Affairs, Office of Management and Budget has approved the extension of the application through June 30, 2000. This will allow use of the application through the transition to the Master Promissory Note. Future reprints of the application will reflect the revised date.

Can a school utilize the Master Promissory Note (MPN) for a summer 1999 loan?

The MPN is effective for loan periods starting on or after July 1, 1999. The MPN may be used for the 1999-2000 academic year. However, the note **must** be used for loans certified on or after July 1, 2000 and for loan periods starting on or after July 1, 2000.

Are the MSLP's Master Promissory Notes available?

Yes. You may place an order by contacting the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940.

Watch for a separate mailing that will detail questions and answers from the MPN Workshop conducted in February 1999.

My school utilizes preprinted Master Promissory Notes (MPNs). How will students know where to mail the MPN?

The MSLP servicer, GuaranTec, will preprint the lender name and address in the designated space in the upper right box on the front of the MPN. The separate instruction sheet that GuaranTec mails with preprinted information will include directions to mail to the lender's address.

How do I access loan information on the MSLP database?

There are several options to get information from the MSLP database. The MSLP servicer's (GuaranTec) INFOBOT is an automated response system designed to give basic loan information through the (800) 824-4893 number. If you need detailed information about a specific loan, you may speak with a customer service representative.

You may also contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940. Another option would be to access the MSLP database through the CLIPS products via the guaranty agency inquiry function. For information about obtaining guaranty agency inquiry, you may contact Beth Ziehmer at (573) 751-1774 or Keith Broadus at (573) 526-0876.

For Your Convenience



An information box indicating subject matter accompanies each article in this newsletter. This box also contains an identifiable icon, the name of the article's contact person (where applicable), his or her phone number, and e-mail user ID. The formula for e-mail addresses at MOSTARS and the Missouri Department of Higher Education is as follows:

USER ID?cbhe400@admin.mocbhe.gov

Please remember, you can also contact our MOSTARS Information Center at (800) 473-6757 or (573) 751-3940 with any questions.

February was Financial Aid Awareness Month!



On February 19, 1999, Governor Mel Carnahan signed a proclamation declaring February 1999 as Financial Aid Awareness Month. Financial aid colleagues at the Capitol to witness the signing included (left to right) Joe Camille, University of Missouri-Columbia; Gloria Wright, William Woods University; Gov. Carnahan; MASFAP President Sam Ketcher, College of the Ozarks; Dr. Kala M. Stroup, commissioner of higher education; and Karen Misjak, MOSTARS director.

Default Prevention Task Force

UPDATE

During May 1998, MOSTARS formed the Default Prevention Task Force, consisting of personnel from all educational sectors, financial institutions, secondary markets, high school counselors, the Department of Elementary and Secondary Education, and Educational Opportunity Centers. The Task Force's main purpose is to develop statewide goals and objectives regarding default prevention, and to develop and implement projects that will inform students and parents of the consequences of student loan default.

Currently, the Task Force is planning the second annual Default Prevention and Debt Management Conference, to be held June 22 and 23 at the

Capitol Plaza Hotel in Jefferson City (see the tentative agenda below). We hope to see you there.

The Task Force includes four committees: Training, Consumer Education, Legislative Initiatives, and Institutional Controls. Each committee meets on a regular basis and reports back to Task Force members. Look forward to an update from the committees at the upcoming conference. Current Task Force committee projects include:

- a 5- to 10-minute video regarding the consequences of default that will be available to high school counselors, teachers, students, parents, and staff, as well as lenders, secondary markets, and postsecondary institutions;
- a competitive program that allows postsecondary schools to apply for grants that will help pay for salaries to work with students who are at risk of default;
- a poster that will be distributed to postsecondary institutions, state agencies, the largest employers in the state, and job service offices; the poster will inform borrowers



News

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of the possibility of deferments, forbearances, income-sensitive repayment plans, and consolidation loans

- training regarding default prevention and debt management planning for all areas of postsecondary campuses; and
- introduction of state legislation that will apply defaulted borrowers' lottery winnings toward their defaulted accounts.

If you have questions about Task Force activities, please call the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940, or visit the Task Force portion of the MOSTARS website at www.mocbhe.gov/mostars/tforce.htm. We'll see you at the conference. ★

1999 MOSTARS Default Prevention & Debt Management Conference

TENTATIVE AGENDA

Tuesday, June 22

- 9:30 a.m. – 10:30 a.m. Registration
- 10:30 a.m. – 10:45 a.m. Welcome
- 10:45 a.m. – Noon General Session
Dr. Jeffrey Hanson
The Access Group
- Noon – 1:45 p.m. Lunch
- 2:00 p.m. – 3:00 p.m. General Session
Mr. Jamie Merisotis
The Institute for Higher Education Policy
- 3:00 p.m. – 5:00 p.m. Roundtable Discussions
- 6:00 p.m. Dinner

Wednesday, June 23

- 7:30 a.m. – 8:30 a.m. Buffet Breakfast
- 8:30 a.m. – 9:30 a.m. General Session
Dr. Norm Finlinson
Brigham Young University
- 9:30 a.m. – 10:00 a.m. Break
- 10:00 a.m. – 11:00 a.m. General Session
Mr. Dave Hammond
Debt Collection Services
- 11:00 a.m. – 12:15 p.m. General Session
- 12:15 p.m. – 1:15 p.m. Lunch/
Closing Remarks

There is no registration fee for the conference and meals will be provided. Attendees will be responsible for their hotel expenses. A block of rooms is being held under the name Coordinating Board for Higher Education at a rate of \$69 single- or double-occupancy.

Reservations can be made by calling the hotel at (800) 338-8088 or (573) 635-1234.

Conference registration forms will be mailed in the upcoming weeks.

The 1998 MOSTARS Partnership Award will be presented at the conference.

Advantage Missouri Program Update

State
Program
News



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At the April 15, 1999 Coordinating Board for Higher Education (CBHE) meeting held at Cottey College, the CBHE took final action regarding the designation of academic programs and the approval of institutional participation in the new Advantage Missouri Program.

The final list of designated academic programs has been distributed to the Missouri postsecondary institutions that have been approved to participate in the Advantage Missouri Program during the first year of the program. The list of programs has also been distributed to all Missouri public and private high schools. As a result of the most recent action of the 1999 Missouri General Assembly, it appears that funding will be available during the 1999-2000 academic year. The final status of the funding will not officially be known until Governor Carnahan signs the appropriation bill for Missouri's FY2000 operating budget.

In anticipation of the availability of funding, applications and related materials are scheduled to be distributed to all approved institutions sometime in May. We would encourage institutions to begin promoting and identifying students who may be eligible for the program. Further information pertaining to the Advantage Missouri Program implementation process will be made available as developments occur. ★

Administrative rule filed with secretary of state

At the April 15, 1999 Coordinating Board for Higher Education (CBHE) meeting, the Board authorized the Commissioner of Higher Education to file the proposed Administrative Rule, 6 CSR 10-2.140, for the Advantage Missouri Program with the Secretary of State for the required 30-day public comment period. This process allows the public to comment on any administrative rule filed with the secretary of state.

The schedule for filing the Advantage Missouri Program administrative rule will be finalized in May. Once the schedule has been determined, the proposed rule will be distributed so approved institutions have an opportunity to comment. It is anticipated that funding will be available for the 1999-2000 academic year, therefore we are continuing to move forward with the implementation process. ★

NOTE: Several changes have been made to the MOSTARS website

The MOSTARS website has recently been completely reorganized, each page has been updated, and several new items have been added.

The site's main menu has been limited to five links:

- **What is MOSTARS?**

- **Missouri Student Assistance Programs**

This link contains descriptions of each of the state student assistance programs MOSTARS administers, and includes a link to other state agency assistance programs. Look for additions to this page in the near future.

- **Federal Student Loans**

This page contains links to Federal Family Education Loan Program (FFELP) information (including subsidized and unsubsidized Federal Stafford Loans and loan limits, PLUS loans, and Federal

Consolidation Loans). The **MOSTARS Electronic Loan Counseling software** is located on this page, as well as the **MSLP Eligible Lender List** and **IDEALoanSM Lender List**.



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www.mocbhe.gov/mostars/finmenu.htm

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MOSTARS sponsors Mapping-Your-Future

MOSTARS is committed to providing students and families with information about college and career choices and financial assistance. To assist in accomplishing this mission, we participate as a sponsor in Mapping-Your-Future – a website that provides up-to-date information about student assistance and innovative student aid services. The sponsorship and goal of this website is to provide information about higher education and career opportunities.

Mapping-Your-Future is currently featured on **CBS Marketwatch.com** in a story titled “Students in debt” that provides important default prevention information and gives advice to graduating seniors. To view the story, go to <http://cbs.marketwatch.com> and click on the “Getting Personal” link at the top of the page. The story links to Mapping-Your-Future’s website, located at www.mapping-your-future.org/. You can also utilize our link to Mapping-Your-Future when you visit the MOSTARS website at www.mocbhe.gov/mostars/finmenu.htm.

Upcoming Events:

- Mapping-Your-Future will sponsor a booth at the **NASFAA conference on July 11-14 in Las Vegas.**
- Please join us for the **June 16 Chat Event** featuring college and career planning for non-traditional students. (You can register to be reminded about the event on the Mapping-Your-Future website.) This live event, scheduled for **6 p.m. to 8 p.m. Central Standard Time**, is designed to help students navigate through what some consider to be a maze of career, college, and financial aid information – all from the privacy and the convenience of a personal computer. ★



Judy Cantoni
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Negotiated Rulemaking

A number of questions have been presented to the MSLP staff concerning issues that are subject to negotiated rulemaking. The publication of final regulations is expected in October. A few of those of interest to Missouri students, schools, and lenders have received tentative agreement among the negotiators and are listed below.

Caution: these are not final.

- Schools will transmit student need data and disbursement schedules to lenders. The proposed regulations shall limit Stafford and PLUS loan amounts to the lesser of the amounts:
 - Requested by borrowers
 - Certified by schools, or
 - Annual and aggregate loan limits
- Borrowers are not eligible for Consolidation Loans if they are subject to judgements secured through litigation or if subject to wage garnishment.
- Guaranty agencies are required to receive and respond to electronic inquiries from borrowers. This is in addition to the requirement to receive and respond to written and telephone inquiries from borrowers.

Teachers have been inquiring about the teaching service forgiveness. Those teachers should be advised to wait until the publication of final regulations and, possibly, the release of additional guidance from the U.S. Department of Education. Additional information will be provided for your information as it is received. ★



Barbara Miller
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1,532 borrowers
have **paid their defaulted MSLP accounts in full** due to **Administrative Wage Garnishment** since the program’s implementation in February 1995.

Changes to the Eligible Lender List

For those clients who utilize the MSLP Combined Eligible Lender List, please make note of the following changes. New lists are printed upon request so your list may already have these changes. Please refer to the effective date of the changes and compare them to the date listed at the bottom left-hand corner of your list to determine whether or not you should pencil in these changes.

Additions

Bank of Waverly c/o MOHELA, OE 826147-00

Participation Categories: IDEALoanSM, Sub, Sub Pre, Unsub, Unsub Pre, PLUS, PLUS Pre
Added March 23, 1999

Educaid, A First Union Company, OE 833616-00

Participation Categories: Sub, Unsub, & PLUS
Added March 22, 1999

Changes

Bank of St. Charles Co. c/o Southside National Bank, OE 829084-00

FICE Code should be 80691100
Participation Categories: Sub, Unsub & PLUS only
Change made March 17, 1999

Participation Lists



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For immediate client access, we have added this list to the MOSTARS website at www.mocbhe.gov/mostars/studln2.htm. We will update the on-line list monthly with the changes published in this newsletter.

Please refer to the August 1998 FFELPfacts for more information. You may also view a sample of the list in the October 1998 issue of the MOSTARS Newsletter. ★

MOSTARS website, from page 5

• **Student Financial Assistance Resources & Links**

This is a new section of our website. In addition to containing a page of student financial assistance links, this portion of our website is where you'll find MOSTARS publications and student financial assistance personnel resources. We have added the *MOSTARS Newsletters* (beginning with the first redesigned newsletter in October 1998), the *RATED PG: parental guidance suggested* newsletters that were published in the last two years, several of our brochures, and the MOSTARS School and Lender Training Guides.

• **MOSTARS Default Prevention Task Force**

This is also a new addition to our website. Currently, the pages include a list of task force members, goals, and projects, as well as information about the upcoming 1999 Default Prevention & Debt Management Conference. Watch these pages for information about upcoming task force projects.

While these initial modifications have improved the site's overall look and content, as well as the user's ability to navigate through the site, more changes are in the works. We will continue to make new resources available on our website. If you have suggestions about specific resources you would like us to make available on our website, please contact us. ★

ATOM Welcomes

Bank of Waverly
826147-50
Waverly, MO

**On Tuesday, April 20,
ATOM began disbursing
all guarantees for
First Bank (822046-50).
Prior to April 20,
ATOM disbursed guarantees
on behalf of First Bank
to ATOM EFT schools only.**

ATOM News



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ATOM Statistics

FFY99 Quarter 2

Disbursements

41,895

Amount Disbursed

By EFT	\$46,901,458
By Check	<u>\$79,173,226</u>
TOTAL	\$126,074,684

Cumulative: 8/95 – 3/99

Amount Disbursed

Disbursements

315,409

By EFT **\$335,233,732**

By Check **\$187,339,568**

TOTAL	\$522,573,300
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The Missouri Department of Higher Education makes every effort to provide program accessibility to all citizens without regard to disability. If you require this publication in an alternate form, please contact our MOSTARS Information Center at (800) 473-6757 or (573) 751-3940. Hearing/speech impaired may call (800) 735-2966.



Coordinating Board for Higher Education
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FIRST CLASS

MOSTARS, a division of the Coordinating Board for Higher Education (CBHE), publishes this newsletter to inform Missouri's financial aid community of current issues concerning the Missouri Student Loan Program and the Missouri Grant & Scholarship Programs.

Dr. Ray HenryCBHE Chairman
Dr. Kala M. Stroup.....Commissioner
of Higher Education
Karen MisjakMOSTARS Director